

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7351

BILL NUMBER: HB 1271

NOTE PREPARED: Jan 12, 2004

BILL AMENDED:

SUBJECT: Bureau of Motor Vehicles Issues.

FIRST AUTHOR: Rep. Liggett

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *BMVC Employee Protections:* This bill establishes certain protections for an employee of the Bureau of Motor Vehicles Commission (BMVC) who reports a violation of federal, state, or local laws or the misuse of public resources. It requires the BMVC to adopt a disciplinary personnel policy by rule that provides that if the result of a disciplinary appeal is not agreeable to the employee, the employee is entitled to institute a civil suit for a further appeal of the discipline, and that a prevailing employee is entitled to costs of the action.

Abolition of BMVC: This bill also abolishes the BMVC effective January 1, 2005. It transfers duties performed by the BMVC to the Bureau of Motor Vehicles (BMV) or to the Commissioner of the Bureau of Motor Vehicles. The bill repeals various provisions referring to the BMVC. It repeals certain criminal penalties relating to violation of the duties of the office of Commissioner of BMV and to certain of the BMV's record keeping and dissemination requirements.

Effective Date: Upon passage; July 1, 2004; January 1, 2005.

Explanation of State Expenditures: *BMVC Employee Protections:* The bill expands the appeal process for a BMVC employee who reports a violation of federal, state, or local laws or the misuse of public funds to include instituting a civil suit for further appeal of a disciplinary action. If the appealing employee prevails in the civil action, the employee is entitled to recover the employee's reasonable attorney's fees, including litigation expenses and costs. This would increase BMVC expenditures in such cases. The fund affected is the State License Branch Fund, which supports the operation of the BMVC. The specific fiscal impact will depend upon the number of such cases and the costs involved.

BMVC Abolition: With the abolition of the BMVC, there will be minor cost savings associated with the per

diem and travel paid to Commission members. Over the last three years, Commission members received \$50 per meeting plus travel reimbursement. This has amounted to approximately \$700 per year, or about \$140 per member per year. The fund affected is the State License Branch Fund.

In addition, the BMVC employee benefit package does not include disability insurance as is provided to current state employees. The minimum cost of adding disability insurance for employees of the BMVC is estimated to be approximately \$648,000, based on total current salaries. Any adjustments to the base salary of BMVC employees will be at administrative discretion.

The BMV has suggested the potential need for additional staff. It should be noted that the work of the two agencies currently is being done with the existing staff at the BMV and the BMVC. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. For FY 2003, the BMV reverted \$3,235,208 from their main operating account. The staffing table for December 29, 2003, revealed that the BMV had 45 vacancies with annual budgeted salaries amounting to \$942,708.

BMVC Title		Number of BMVC Employees
Customer Service Representative		1,248
Accounting Clerk		111
Customer Service Team Leader		184
Assistant Manager		62
Manager		158
Regional Training Manager		15
Total		1,778

	Authorized	Filled
Salary	\$34,743,158	\$34,104,823
Positions	1,778	1,659

Explanation of State Revenues: *BMVC Employee Protections:* This part allows for a Class A infraction for violation of the state's whistle blower law if the BMVC has opted to be under the State Ethics Commission. If the BMVC establishes its own code of ethics for its employees, the criminal penalty does not apply.

BMVC Employee Protections -Penalty Provision: If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000, which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *BMVC Employee Protections -Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Staffing Tables, Bureau of Motor Vehicles, and the Bureau of Motor Vehicles Commission.

Fiscal Analyst: James Sperlik, 232-9866.